



Eligible Reimbursable Expenses for Management with Salary Grade Level 8 and above / Regional Supervisors / Regional Specialists

Rental Assistance	◆ Lease cancellation up to six months rent
Home Marketing	◆ Pre-Marketing services ◆ Use Executive Relocation approved broker
Home Sale	◆ Home sale incentive bonus ◆ No charge for Real Estate commission and closing costs if closed through Executive Relocation
Home Purchase	◆ Home buyout - 2 appraisals ◆ 60 day required marketing period ◆ 90 day offer period
Home Finding	◆ Employee & Spouse, 2 trips, up to 6 days per trip ◆ Coach air plus rental car if needed ◆ Personal car mileage at Company rate (see Corporate Policy 3.3) ◆ Reasonable lodging and meal expenses ◆ Childcare \$50/day maximum, if needed
Temporary Living	◆ Reasonable lodging and meals for up to 60 days ◆ Rental car for up to 60 days, if needed ◆ Airfare home every other weekend (3 trips maximum) ◆ If less than 250 miles, may drive home every weekend (8 trip maximum)
Final Move	◆ Air or drive most direct route ◆ En Route expenses of lodging and meals ◆ Interim living at new location with family for 15 days maximum, if unable to take possession of new home
Shipment of Household Goods	◆ Packing, transporting, from principal residence ◆ Appliance hook up ◆ Insurance ◆ Temporary storage with prior approval, up to 60 days maximum ◆ 3 cars allowed, driven, driver service, car carrier, or moving van
Incidental Expense Allowance	◆ One period pay (4 weeks)
Tax Gross Up	◆ On all items included as compensation except Incidental Expense Allowance and Home Sale Bonus

Note: Under no circumstances are any relocation expense reimbursements to be made from the store or any other location.


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FredMeyer**Relocation requests**

Use the following procedure for requesting approval for relocation:

Store employees: Submit request via supervisor to Ken Haverkost, Group Vice President of Store Operations, for approval.

Non-store employees: Divisional manager will complete the Kroger Co. Moving Authorization Form (located on page 3-64 of this policy) and submit it to Carl Wojciechowski, Group Vice President of Human Resources, for approval.

Home Sale Assistance

Employees must contact Executive Relocation for assistance in selling their home.

Temporary Living

If you are unable to immediately establish a permanent residence before your family members arrive at the new location, you will be reimbursed for temporary living expenses for up to 30 or 60 days from the date you report to work at your new location. This benefit applies only when duplicate residence expenses are required.

Note: Refer to the **Eligible Reimbursable Expenses** tables for the appropriate number of days allowed.

Lodging

Your options on lodging are to stay in a furnished temporary apartment or a hotel/motel that has comparable rates to temporary apartment arrangements. The less expensive of the two should be selected. When applicable, Executive Relocation must be involved in the lodging selection process. Executive Relocation can arrange for a temporary apartment at very competitive rates in most locations.

Meals and Meal Tips

You will be reimbursed for reasonable expenses for your meals and meal tips during your temporary living period. See *Corporate Policy 3.3 Travel, Expenses, and Advances* for details.

Rental Car

A rental car can be authorized by Executive Relocation, when applicable, on a short-term basis, as you are expected to drive your personal car as close to the beginning of your new work assignment as possible.



Return trips home

You will be reimbursed for airfare for a trip(s) home. If the distance between your old home and new work location is less than 250 miles, you may travel home by personal car every weekend and be reimbursed for mileage in accordance with *Corporate Policy 3.3 Travel, Expenses, and Advances*.

Note: Refer to the **Eligible Reimbursable Expenses** tables for the appropriate number of return trips allowed.

Interim Living

If you are unable to occupy your new residence after you have completed your final move to the new location with your family, then you and your family will be eligible for reimbursement of lodging, meals, meal tips, and rental car as noted in the previous temporary living section. Those expenses will be covered for a minimum of 15 days.

If applicable, please call your Client Service Manager at Executive Relocation for advice before incurring any interim living expenses.

Final Move to New Location

Employees will be allowed up to 5 business days to assist their family with the packing, unpacking, and traveling back to the old location and then on to the new work location.

If the new work site is less than 750 miles from your current residence, you will be expected to drive your family to the new location. You will be reimbursed for this mileage in accordance with *Corporate Policy 3.3 Travel, Expenses, and Advances*, using the most direct route.

Reasonable expenses for lodging, meals, and meal tips are reimbursable in accordance with *Corporate Policy 3.3 Travel, Expenses, and Advances*. Receipts must be attached to your expense report.

If you are flying, coach airfare must be used and advanced travel planning should be used in order to get the lowest airfare possible. Travel arrangements must be made through Kroger Co. travel service agency.

Car rental will be allowed after you have arrived at the new location with the prior approval of Executive Relocation, when applicable.

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Upon arrival at the new location, Fred Meyer will pay for one night of lodging at a hotel. Beyond that, see the provisions in the Interim Living section of this policy that address this issue.

Corporate VISA Travel Card

Use of your Corporate VISA travel card is prohibited for all relocation related expenses due to the special tax handling requirements.

Employee responsibilities

Employees are responsible for the following:

- ♦ *Maintaining accurate records and tracking all expenses they incur as a result of their relocation.* All receipts for expenses (other than per diem) must be retained and attached to a *Relocation Expense Report* form (M2557). Completed reports are approved by the employee's supervisor and submitted to Accounts Payable for processing.
- ♦ *Reporting moving costs to the IRS.* Since relocation affects income tax filing, tax planning should be part of the employee's relocation considerations. Employees who have been relocated receive separate W-2s at the end of the year for the moving expenses paid for them since this is considered to be income by the IRS. Fred Meyer does however, cover all tax obligations related to the move. Employees are advised to seek private tax assistance; however, expenses for this service are not reimbursable.

FredMeyer**THE KROGER CO.
MOVING AUTHORIZATION FORM**

EMPLOYEE NAME _____ SPOUSE NAME _____

SOCIAL SECURITY NO _____ SPOUSE SS# _____

CURRENT POSITION/JOB TITLE _____

CURRENT DEPARTMENT _____ PRESENT MANAGER _____

CURRENT ADDRESS _____ OWN _____ RENT _____

CITY _____ STATE _____ ZIP _____

HOME PHONE _____ BUSINESS PHONE _____

CELL PHONE _____ ALTERNATE PHONE _____

NEW LOCATION _____

CITY _____ STATE _____

NEW POSITION/JOB TITLE _____ STARTING ON _____

NEW DEPARTMENT _____ NEW MANAGER _____

NEW PAY RATE _____

EXPENSES TO BE CHARGED TO: (DIVISION NAME & NUMBER) _____

EXCEPTIONS AND SPECIAL INSTRUCTIONS:

AUTHORIZED SIGNATURE _____ DATE _____

GENERAL OFFICE APPROVAL _____ DATE _____

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3.9 Purchasing Products Not Stocked by Fred Meyer (03/99)

Statement

Employees may purchase products not carried at Fred Meyer retail locations at the Company's cost plus a 15 percent fee for handling. The minimum handling fee is \$15 for items under \$100 and the maximum is \$300 for purchases over \$2,000. If the retail cost of the item is less than cost plus 15 percent, the employee may purchase the item at the normal retail price. *All purchases must be paid in full prior to the employee receiving the product.*

Scope

This policy applies to all Fred Meyer Stores employees.

Effective date

This policy is effective immediately and supersedes any previous policies.

Policy owner

Route all policy questions and suggested updates to the President.

Violation of this policy

Employees who violate this policy will be subject to disciplinary action up to and including termination.

Eligible products

In order to purchase products using this benefit, the item cannot be identical or comparable to items carried in any Fred Meyer store or on the stores' special order merchandise list. Comparable merchandise includes items that are available in the marketplace but which Fred Meyer does not carry, such as a certain type of watch. Items unique in style may not be comparable if the style is materially different than regularly handled merchandise, such as carpet. Comparability issues are decided on a case-by-case basis by the merchandiser.

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Who to contact

If an employee is interested in purchasing a product not stocked by Fred Meyer, (s)he should contact the appropriate buyer at the main office who will make the necessary arrangements with the vendor.

FredMeyer**3.10 Funeral Leave**

(7/03)

Statement

It is Fred Meyer's policy to ensure compassionate assistance to employees who experience a death in the family by providing time off. Employees will be allowed up to three days off with pay for the purpose of attending the funeral and assisting with arrangements in the event of a death in an employee's immediate family. If needed, additional unpaid leave will be granted for a reasonable duration, or employees may use accumulated vacation days.

Immediate family member is defined as a present spouse, children (including step and adopted), mother, father, sisters, brothers, grandparents, grandchildren, present mother-in-law, and present father-in-law.

Employee responsibility

If an employee needs to request funeral leave, (s)he is required to contact their supervisor as soon as possible, and complete a Special Pay Request form.

Scope

This policy applies to all Fred Meyer Stores salaried employees. Union employees should refer to the labor contract for funeral leave provisions. Non-union hourly employees should refer to the work rules for funeral leave provisions.

Policy owner

Route all policy questions and suggested updates to the Group Vice President of Human Resources.

Violation of this policy

Employees who willfully or deliberately violate or abuse this policy will be subject to disciplinary action up to and including termination.

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FredMeyer**3.11 Jury and Witness Duty**

(11/96)

Statement

Fred Meyer encourages employees to perform their civic duty by serving as jurors or witnesses when summoned. Therefore, eligible Fred Meyer employees will be granted leave for both jury and witness duty.

Employees will be compensated at their regular rate of pay for jury duty service. Employees will also be paid their regular base rate of pay if summoned to appear in court as witnesses for a Fred Meyer case. Employees summoned to appear in court as witnesses for cases not related to Fred Meyer will be granted an unpaid leave of absence for a reasonable duration. *Employees are required to surrender any remuneration received to Fred Meyer.*

Scope

This policy applies to all Fred Meyer Stores salaried and non-union hourly office employees. All other employees should refer to their work rules or labor contract for jury/witness duty provisions.

Effective Date

This policy is effective immediately and supersedes any previous policies.

Policy Owner

Route all policy questions and suggested updates to the Group Vice President, Human Resources.

Violation of This Policy

Employees who willfully or deliberately violate or abuse this policy will be subject to disciplinary action up to and including termination.

Postponing jury duty

Under normal conditions, Fred Meyer will not attempt to have an employee's service on a jury postponed; however, if the service comes during a critical time for the Company and the employee cannot be spared, the employee's supervisor should submit a note to the Vice President of Compensation and Benefits. If approved, Human Resources will send a letter to the court explaining the need to postpone service.



Employee responsibilities

To receive jury duty pay, an employee must:

- ◆ Submit a copy of the summons to his/her supervisor as soon as it is received.
- ◆ Contact his/her supervisor when (s)he is told his/her jury duty schedule.
- ◆ Provide the Time and Attendance Operator with written confirmation from a clerk of the court indicating the number of hours served each day attached to a Special Pay Request form.
- ◆ Telephone his/her supervisor to determine if sufficient time remains for the employee to come to work, if the employee is released from jury duty early.

Scheduling guidelines

Scheduling employees should be determined on a case-by-case basis. If possible, schedule the employee for a day shift (8:00 AM to 5:00 PM). Manager's should follow work rules or labor contract provisions, when applicable.

Employees excused early from jury duty must call their supervisor to determine if sufficient time remains to come to work.

FredMeyer**3.12 Personal Leave of Absence**

(7/03)

Statement

Fred Meyer recognizes that there are certain times when employees may need a personal leave of absence—typically due to family or personal emergencies not covered under the Family and Medical Leave Act. Employees are required to use accrued vacation or personal days prior to requesting a personal leave of absence. Personal leave does not include time off for the summer or holidays.

To be considered for approval, a personal leave must be for 15 or more days and not longer than six months. All personal leaves are unpaid and the employee is responsible for any premiums required to continue group health insurance.

Employees must submit a request for a personal leave as soon as reasonably possible. All requested leaves are subject to the needs of the business and manager discretion.

Employees on leave must return to work on the prescribed return date or be subject to termination.

Scope

This policy applies to all Fred Meyer Stores salaried and non-union hourly employees. All other employees should refer to the labor contract for personal leave of absence provisions.

Effective Date

This policy is effective immediately and supersedes any previous policies.

Policy Owner

Route all policy questions and suggested updates to the Group Vice President of Human Resources.

Violation of This Policy

Employees who willfully or deliberately violate this policy will be subject to disciplinary action up to and including termination.

FredMeyer**Eligibility**

Employees, who have been employed for at least one year, may apply for a personal leave of absence.

Other types of leave

Other types of leaves are covered in separate policies:

- ◆ *3.1 Family and Medical Leave*
- ◆ *3.11 Jury and Witness Duty*
- ◆ *3.10 Funeral Leave*

FredMeyer**3.13 Military Leave**

(12/99)

Statement

Any employee of Fred Meyer who is called for training or active duty in the armed services of the United States is eligible for military leave, provided the employee gives notice of his or her military obligations. Eligibility for military leave extends to part-time employees, but does not apply to temporary employees--that is, those employees hired for a specific short-term project or for a limited term of employment that is scheduled to end in the foreseeable future. However, seasonal and other temporary employees returning from military service are reemployed to the extent required by law.

In carrying out the terms of this policy and in all its dealings with employees regarding military leave issues, Fred Meyer complies fully with all federal and state laws granting leave and employment rights to employees serving in any branch of the military service of the United States.

Scope

This policy applies to all Fred Meyer employees.

Effective date

This policy is effective immediately and supersedes any previous policies.

Policy owner

Route all policy questions and suggested updates to the Vice President, Employee Relations.

Violation of this policy

Employees who willfully or deliberately abuse this policy will be subject to disciplinary action up to and including termination.

Questions

Determination of the terms and conditions of re-employment (rate of pay, seniority status where appropriate, length of service for benefits eligibility purposes, etc.) can be a complex matter and any questions regarding employment, reemployment, or benefits for members of the armed services should be referred to the Vice President, Employee Relations.

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